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Sens. Allen's legislation to protect health centers passes Senate

LANSING – The Michigan Senate passed legislation Thursday to help protect federally funded health centers by defining them as property-tax exempt entities, announced state Sen. Jason Allen, R-Traverse City.

“Federally funded health care centers that help uninsured patients should not be subject to property taxes,” Allen said. “These centers are non-profit institutions designed to assist with health care needs in underserved areas and individuals that are uninsured or underinsured.”

Allen sponsored Senate Bill 784 after learning the East Jordan Family Health Center in the 37th Senate District and Thunder Bay Community Health in the 36th Senate District received tax bills for the first time.

Federally Qualified Health Centers (FQHCs) provide services to high risk and special needs populations. According to the Michigan Primary Care Association (MPCA), the federal program requires FQHCs be located in medically underserved communities with severe shortages of primary care physicians.

The MPCA estimates that FQHCs saved Michigan \$35 million in 2001 in state Medicaid expenditures alone.

“Michigan residents depend on the vital services provided by these health centers,” Allen said. “These centers haven’t been subject to property taxes before and it should stay that way. If we start taxing them now it will create obstacles to providing care for the residents that need their services most.”

If signed into law, SB 784 will make FQHCs exempt from the general property tax act retroactive to December 31, 2004 so they will not be impacted by 2005 tax collections.

SB 784 will now go to the House of Representatives for consideration.

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